



PLANNING COMMISSION

February 16, 2023

A regular Planning Commission meeting was held in the City Council Chambers, Petoskey, Michigan, on Thursday, February 16, 2023. Roll was called at 6:00 P.M. and the following were:

Present: Cynthia Linn Robson, Chairperson
Betony Braddock
Doug Buck
Matt McSweeney
Richard Mooradian
Rick Neumann
Ted Pall
Charles Willmott

Absent: Carolyn Dettmer

Others: David Bell, 1433 Standish Avenue
Andrea Jacobs, Housing North
Rochelle Martinez, 1105 Priebe Avenue
Albert Moss, 510 Hillcrest Avenue
Wayne Seger, Mansfield Land Use Consultants
David Vermeesch, 1449 Standish Avenue

Staff: Zach Sompels, City Planner
Shane Horn, City Manager
Lisa Denoyer, Administrative Assistant

Upon motion and support, the minutes of the January 19, 2023 regular meeting were approved. Motion carried 8-0.

Upon motion and support, the minutes of the January 30, 2023 special joint meeting were approved. Motion carried 8-0.

Case #1-23 – Public Hearing for a PUD Rezoning Request for the Michigan Maple Block Property, 1420 Standish Avenue

Commissioner Robson informed the Commission that, although it was not noted in the agenda, a public hearing had been scheduled for this request. She also commented that there were some issues with the dates and times of document submittal in regard to the ordinance and she felt it was best to address them prior to opening the public hearing.

Staff responded that any concerns brought up by the Commission had been discussed with the City Attorney. Discussions with the applicant, department head meetings, and submittal of letters and documentation have been occurring since last August and required timelines have been well covered.

Chairperson Robson read aloud Section 2504.2(b) - Requirements for Planned Unit Development (PUD) Rezoning Petition.

Chairperson Robson then stated that the letter of request for a preliminary PUD rezoning was dated January 31, 2023.

Staff responded that the intent from the developer was stated to him with the initial letter dated January 4, 2023 followed by letters dated January 31, 2023 and February 4, 2023. He believed there was enough information provided to move forward with the public hearing and the City Attorney agreed.

Chairperson Robson responded that January 4th letter included information on the site plan and preliminary engineering information for grading, drainage, water and sewage and nothing more.

Chairperson Robson's plan said that it was her intent to discuss the preliminary plan, possibly approve it with conditions and schedule a public hearing for 30 days after the submittal date of the letter of request for rezoning, as required by the ordinance.

Commissioner McSweeney commented that while it is important to follow the ordinance, if the City Attorney, City Manager and City Planner all feel comfortable moving ahead with the public hearing then he believes the Commission should do so.

Chairperson Robson responded that when the ordinance states "shall" it is mandatory and she does not feel an exception should be made as it would set a precedence. She then stated that she would have felt more comfortable moving forward if there had been a statement from the City Attorney stating that January 31st does not need to be considered as the date for the letter of request.

Commissioner Pall commented that he had read the ordinance and agreed that it clearly states that the letter of request has to come 30 days prior to the public hearing. He believes the intent is to discuss a preliminary approval.

Staff responded that letters for a public hearing had already been mailed to residents and a delay would jeopardize the position of the developer. He then cautioned the Commission against delaying the public hearing.

Commissioner Braddock asked if the Commission would need to vote on whether or not to move forward. Staff responded that they could.

Shane Horn, City Manager, stated that he was not part of the discussion on the hearing, although he and Zach did have a conversation about it. He then informed the Commission that City staff has had multiple conversations with the developer since last fall and have been working tirelessly to get the site redeveloped. Further delays will not help the situation and may discourage others from coming forward with projects within the City.

Commissioner Willmott commented that he does not see how holding the public hearing in conjunction with the final presentation could delay the process or discourage the developer.

Staff responded that a delay in the public hearing would delay the process. A public hearing is only scheduled for the preliminary PUD rezoning approval request, which is then followed by a second meeting where more information would be received and reviewed for consideration of a final approval.

Commissioners Braddock, McSweeney and Neumann all voiced their support to move forward with the public hearing at this meeting.

Chairperson Robson requested something in writing from the City Attorney stating that he was okay with moving forward with the public hearing.

Commissioner Buck made a motion, seconded by Commissioner Braddock, to continue discussion and hold the public hearing. Motion passed 6-2, with Chairperson Robson and Commission Pall voting against.

At 6:20 P.M. the meeting was opened for a public hearing.

Staff informed the Commission that this review was not a final review, rather a step in the PUD rezoning process. He then informed the Commission that the City has diligently been working with the developer since August 2022 with meetings onsite and at City Hall.

Wayne Seger, Mansfield Land Use Consultants, reviewed of Section 4.1 from the Master Plan that shows this property as a priority project and Figure 5.2 from the Master Plan that shows the property as a neighborhood mixed use and stated that their request was for approval of a preliminary PUD with the goal of creating a multiple family mixed use zone. He reviewed Sections 2500 and 2501 and commented that they believe the project and site location meet the intent and eligibility criteria of the ordinance. He then informed the Commission that the Bear River will be protected, there is potential to develop the river's edge with access points, and they will increase the density of the site to 216 total units.

Commissioner Pall thanked Mr. Seger for his presentation on this exciting project. He commented that the Commission's decision tonight is based on Section 2503.4(a-n) - Standards for approval, and supporting documentation from the applicant should have been provided for review and approval.

Mr. Seger responded that the ordinance states "shall consider the following standards" and the Commission could recommend approval. He stated that while the standards are not being provided tonight, the Commission needs to trust staff and the applicant that the standards can be met. He is before them to exhibit that they can meet all of the standards and any conditions of approval can happen.

Commissioner Neumann thanked Mr. Seger for his presentation and then read aloud Section 2501.2 – Site eligibility criteria. He asked if the applicant had an enumeration to the point of what the better design and amenities are that would be incorporated into this PUD that would address this section of the ordinance. He commented that one benefit he could see was a greater density of housing than what would otherwise be allowed in a multi-family residentially zoned district, if that is what it were changed to, and one amenity would be additional housing for the community.

Staff stated that the current zoning of the property is I-2 General Industrial and the bulk standards for this zone allows for a maximum building height 3-stories, 35-feet, a front yard setback requirement of 50 feet, and side yard setbacks of 30 feet on one side and a total of 60 feet combined. A PUD would allow flexibility that the current zoning does not. The 50-foot setback would make it extremely difficult for this project to work, especially with the river running along the property.

Mr. Seger commented that housing is expensive to build and doing so in the RM-2 district may not be financially feasible due to the cost and building restrictions due to zoning.

Chairperson Robson commented that Mr. Seger had done a wonderful job demonstrating that a PUD is warranted. She asked that the applicant include, as a follow-up to be put on record, a few sentences explaining how a PUD is the better option and the amenities and/or benefits that would not be allowed in the RM-2 district.

Commissioner Willmott commented that he is excited about the project and cannot wait for the groundbreaking, assuming approval. He then asked what height the buildings would need to be in order to make this project work, what parking ratio was being used for residential units based on the schematic markup showing the buildings at four stories with parking underneath and onsite, and what the marketing point of view is for tenants to make them sellable.

Mr. Seger responded that they are still working out the architectural details and potentially could decide on having different exact building heights and designs. He would have to come back with information on how the units would be marketed.

Staff responded that multiple family districts require 1½ parking spaces per dwelling unit.

Commissioner Willmott commented that he is all in favor of moving forward and is excited about affordable housing. He would like to prevent any surprises in the future and is looking for answers regarding the exact height parameter they will follow so that there are no unreasonable expectations at the end of the 90-day period following the preliminary approval.

Mr. Seger commented that he believed if anything were to be out of the ordinary it would be known through staff discussions and recommendations, so there would be no surprises.

Commissioner Willmott asked if the Department of Public Works had signed off on the storm water management plans. Staff responded that City staff and the City Engineer have reviewed the plans and believe the standards can be met.

Chairperson Robson asked to do a quick follow up on the building height issue and read aloud Section 2503.4(k). She then commented that part of the conditions of approval will be that conditions in Section 2503.4(a-n) will be met and reminded the Commission that there will be follow up information provided with visual aids for them to review and make their determination on the proposed building height.

Commissioner Neumann asked Mr. Seger about architectural software they would be using and if they would be able to provide the Commission with three dimensional views of the development and the view from a distance to get a sense of the project from afar.

Mr. Seger responded that they would be able to provide those renderings and views to the Commission.

Commissioner Pall commented that it is very unusual for the Commission not to see plans at this meeting for a PUD rezoning request and he is anxious to see what will be presented. Mr. Seger said that it would be no later than 90 days as there is a lot more information to come.

At 7:13 P.M. the meeting was opened for public comment.

Albert Moss, 510 Hillcrest Avenue, stated that he is excited about the project. He believes it will take pressure off other parts of the City for housing, create workforce housing and is an appropriate place to build up. He asked if river access would be open to the public or if it would only be accessible by the tenants and if a traffic study would be done as a turn lane may be necessary due to increased traffic.

David Vermeesch, 1449 Standish Avenue, commented that he was excited for this project and struggles to see how it would provide workforce or affordable housing.

David Bell, 1443 Standish Avenue, commented that he sees the need for affordable housing and voiced concerns with increased traffic and speed on Standish Avenue.

Chairperson Robson commented that Standish Avenue does not live up to City standards and asked staff if there are any plans to upgrade the road.

Staff responded that it is a wide road where curbs and sidewalks already exist, so he could only speculate that a design change may occur when a redesign is done.

Andrea Jacobs, Housing North, commented that there are a lot of layers to this project and it is a great opportunity. A PUD zoning for this property would help the community and the project integrates well into the neighborhood.

The public hearing was closed at 7:24 P.M.

At this time, Commissioner Willmott made a motion, seconded by Commissioner Braddock, to grant preliminary approval for a Planned Unit Development rezoning at 1420 Standish Avenue with the condition that the conditions outlined in Section 2503(4) a-n are met.

Motion carried 8-0.

Review of Planning Commission 2022 Annual Report

Staff gave an overview of the report, informed the Commission that he followed the Redevelopment Ready Community requirements list when creating the report, and that one Accessory Dwelling Unit was approved in 2022 and will be added to the table of permits issued.

Chairperson Robson stated that she completed six Master Citizen Planner credits and asked that they be added to the training received section of the report.

Commissioner Pall asked about halo signs and what the concern was regarding them.

Staff responded that it did not pass at the City Council.

Short Term Rental Ordinance

Staff informed the Commission that he had been working with the City Attorney on ordinance language for short term rentals as it is still unknown what the State will decide. The current ordinance language treats short term rentals the same as hotels, which cannot be capped, and they should be proactive in creating a separate ordinance to create a cap for short term rentals. There are currently 32 legal short term rentals within the City and staff recommended capping the total number allowed at 40. This number can be adjusted by City Council should the need arise.

Commissioners asked if; majority of the legal short term rentals were grandfathered, they were located in the central business district and/or residential areas, a license was required, they are restricted to business and industrial districts only, and if four units at one address would be considered one rental or four. They also asked if a lapsed license for a grandfathered short term rental renewed.

Staff responded that roughly 20 of the rentals are grandfathered most of which are in the residential areas and that a license is required for each dwelling unit. New short term rental units are not allowed in residential districts and each unit would count as one short term rental.

Commissioners commented on concerns with the loss of housing, the decrease in population within the City, and restricting short term rentals to business and industrial districts. Staff responded that a grandfathered status expires if the license is not renewed each year.

Commissioners asked if they were to review the language and make changes or if they were only being asked to give direction on the maximum number of short term rentals to be allowed.

Staff responded that they attorney has already approved the proposed language, so he is only asking the Commission to give direction on the number of short term rentals allowed.

At this time, Commissioner Willmott made a motion, seconded by Commissioner Pall, to recommend that City Council consider and approve the proposed short term rental ordinance language with a cap of 40 rentals. Motion carried 8-0.

**Discussion of Proposed Text Amendments to Condense
RM-1 and RM-2 Zoning Districts**

Staff informed the Commission that the intent of the proposed amendments is to provide a better idea of how the language will look in the ordinance.

Commissioners discussed the need to add multiple family uses to Section 601 and the language to refer to the standards section rather than being repetitive. Commissioners voiced concerns with the potential of changing the character of the neighborhood and encouraging teardowns.

Staff responded that tear downs would not be likely in that dense of a neighborhood and that he would have the City Attorney work on organization and formatting of the proposed language.

Commissioners agreed that it was premature to schedule a public hearing and they would like the City Attorney to review the language. Commissioners also agreed that any suggested changes or corrections would be sent to the Chairperson to assemble and pass along to staff to possibly implement if appropriate.

**Discussion of Proposed Text Amendments to Condense
B-1, B-2a, B-2b and OS Zoning Districts**

Commissioners discussed the need to add banks and medical to the uses, change the order of principal permitted uses so that commercial uses are listed first and residential uses are listed last, and remove the single family residential standards.

Commissioners asked staff if the consolidation of business districts included the incorporation of the southwest corner of Sheridan and Spring Streets as a mixed use business.

Staff responded that a rezoning of these properties to the Mixed Business District would expand the allowable uses that could serve and intermix with the nearby neighborhoods and that a separate rezoning for these parcels could be done if that was the Commissions desire.

Commissioners agreed that it was premature to schedule a public hearing and any suggested changes or corrections would be sent to the Chairperson to assemble and pass along to staff to incorporate for further review by the Commission.

Public Comments

Albert Moss, 510 Hillcrest Avenue, expressed concern with height changes in the B-3a district, especially at the corner of Sheridan and Spring Streets. He then read aloud the zoning ordinance preamble and stated that increased density needs to be in the right area. He commented that trends indicate there will be an abundance of housing in the future and asked the Planning Commission to make sure they are on the right course and keep the B-3a district the way it is currently.

Rochelle Martinez, 1105 Priebe Avenue, asked the Commission to keep in mind the history of Petoskey and give Spring Street the historic recognition it deserves as that is where the first dwelling was established in Petoskey.

Commissioner Comments

Commissioner Pall asked if anything was happening with the local Downtown Historical District.

Commissioner Neumann commented that nothing had happened with the committee for about a year and a half.

Staff commented that Becky Goodman, Downtown Director, has had a staff shortage and is in the process of hiring someone. Once the position is filled she will hopefully have time to work with the committee to get things moving forward.

Updates

Staff commented that he had looked up the population statistics for the City of Petoskey and found that the numbers had actually increased since from 5,680 in 2011 to 5,910 currently.

Staff commented that there are potentially four new projects coming forward that consist of site plan reviews and a possible special condition use.

Commissioner Willmott gave an update on Bear Creek Township projects and commented that he felt the Commission should involve themselves and stay up to date with projects that are happening in Bear Creek and Resort Townships.

The meeting was then adjourned at 8:40 P.M.